

QUALIFICATION REQUIREMENTS FOR PROSPECTIVE CONTRACTORS SELLING
COMMODITIES TO USDA
May 2008

USDA's Agricultural Marketing Service (AMS) procures various products for school lunch and other domestic food nutrition programs.

The qualification requirements requested from a prospective contractor are a reexamination and revalidation of established qualification requirements as required by the Federal Acquisition Regulations (FAR) Part 9 and are necessary for AMS to carry out its procurement mission. A prospective contractor shall be determined to be qualified by the Contracting Officer prior to submitting offers for invitations for bids. An interested prospective contractor shall fully complete and provide all materials requested herein to the Contracting Officer in the applicable commodity Program. The Contracting Officer will review this submission and determine if a prospective contractor will be added to the Qualified Bidders List. Offers will not be accepted from a prospective contractor that has failed to comply with these requirements.

Procurement information concerning invitations for bid, commodity specifications, the master solicitation for commodity procurements, and historical contract award information can be located at <http://www.ams.usda.gov>.

A prospective contractor may submit applications at any time and will be notified in writing whether requirements have been satisfied. A prospective contractor that is a small business concern may be referred to the Small Business Administration (SBA) for a Certificate of Competency, if deemed necessary by the Contracting Officer.

Administrative Requirements

Each prospective contractor shall:

1. Register in the Central Contractor Registration (CCR) system at <http://www.ccr.gov>. The CCR requires a one-time business registration with mandatory annual updates. The CCR allows a prospective contractor to control the accuracy of its own business information. There is no fee to register in CCR. The data from registrations will be used for procurement and payment purposes.
2. Complete electronic annual representations and certifications at <https://www.orca.bpn.gov> in conjunction with required registration in the CCR database. Each prospective contractor is required to update its representations and certification submitted through the Online Representation and Certifications Application (ORCA) as necessary, but at least annually, to ensure they are kept current, accurate, and complete. The representations and certifications are effective until 1 year from date of submission or update to ORCA.
3. Complete Standard Form 3881, ACH Vendor/Miscellaneous Payment Enrollment Form, which can be located at <http://www.sc.egov.usda.gov>.

4. Submit copy of applicable SBA certificate if the company is a certified small disadvantaged business (SDB), 8(a), and/or HUBZone, and is not certified in the CCR as such.

Capability Requirements

In accordance with FAR 9.104-1 and 9.104-3(b), each prospective contractor shall certify its capability to perform as follows:

1. All written submissions from potential vendors must be on company letterhead authenticating the exact legal name and include the following:

- a. A list of all products that it is interested in providing.
- b. A description of historical experience including the number of years it has sold these or similar products in the commercial marketplace or to governmental organizations.
- c. Three reference letters from customers you have sold products to (on letterhead with signatures).
- d. Any additional pertinent information regarding a prospective contractor's capabilities such as, but not limited to, a satisfactory record of integrity and business ethics and verification that it is otherwise qualified and eligible to receive an award under applicable laws and regulations.

2. In accordance with 13 CFR 121.406, a prospective contractor that is a non-manufacturer must be engaged in the wholesale or retail trade and sell the items being offered to the general public. The prospective contractor must furnish a copy of the written agreement in effect between itself and an approved supplier to certify compliance with the applicable AMS solicitation requirements. The agreement must be on company letterhead and must be signed by both parties.

Financial Responsibility

1. Financial responsibility determination will be made prior to award. Prospective contractors must provide their Dun and Bradstreet (D&B) number (DUNS number). In order to facilitate the responsibility determination, AMS will request and evaluate Dun and Bradstreet's business analysis reports for each prospective contractor. If the financial information available through D&B business analysis reports is not sufficient to complete a satisfactory review of a prospective contractor's financial stability, AMS will request a prospective contractor to submit, prior to offer, its latest complete comparative financial statement. The financial statement must be prepared in accordance with generally accepted accounting principles and be audited or reviewed by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants. At a minimum, the statement should include a balance sheet, profit and loss statement, statement of cash flows, statement of retained earnings and any notes to the financial statement. For partnerships, the last fiscal year end or current financial statement of the partnership and the personal financial statement of each partner will be

required. For individuals, financial statements that include all of his/her personal and business assets and liabilities will be required.

A prospective contractor shall demonstrate that it has adequate financial resources to perform the contract or the ability to obtain them as required by FAR 9.104-3(a), including the availability of necessary working capital and satisfactory credit. This may include, but is not limited to, the financial protection against losses as set forth in FAR part 28.

The D&B business analysis report or the latest financial statement will be reviewed on an annual basis to determine continued eligibility to receive an award. Every January 1st each qualified contractor must submit its current audit or review level financial statements to D&B. In addition, a qualified contractor must notify its Contracting Officer when the financial information has been submitted to D&B. The D&B web address is:

<https://eupdate.dnb.com/default.asp?cmid=IOG200047>. The financial statements submitted to D&B should be no more than 16 months old. If the financial information submitted to D&B is sufficient to evaluate and determine financial responsibility, no further documentation or information will be required from the contractor.

It is highly recommended that each prospective or qualified contractor submit its audit or review level financial statement to D&B as this information impacts the D&B report. Failure to submit the required financial information to D&B or the Contracting Officer may result in the Contracting Officer making a nonresponsibility determination.

Food Defense Requirements

Contractor and all subcontractors must have a documented and operational food defense plan that provides for the security of a plant's production processes and includes the storage and transportation of pre-production raw materials and other ingredients and post-production finished products. The plan shall address the following areas, where applicable: (1) food defense plan management; (2) outside and inside security of the production and storage facilities; (3) slaughter and processing, including all raw material sources; (4) controlled access to production and storage areas; (5) storage; (6) water and ice supply; (7) mail handling; (8) personnel security; and (9) transportation, shipping, and receiving (includes the sealing of any transport conveyance for truck lot and less-than-truck lot quantities of finished product).

The food defense plans will be audited by the applicable AMS Branch. See Food Safety and Inspection Service (FSIS) Security Guidelines for Food Processors at the following website: <http://www.fsis.usda.gov/OA/topics/SecurityGuide.pdf> and information for the transportation and distribution of meat, poultry, and egg products is located at the following website: <http://www.fsis.usda.gov/oa/topics/transportguide.htm>. For fruit and vegetable commodities, see <http://www.ams.usda.gov/fv/ppbweb/Food%20Defense/Food%20Defense%20Survey%20for%20web.pdf>.

After receiving the qualification information, a pre-award survey shall be conducted to verify that a prospective contractor meets AMS qualification requirements. The pre-award survey will be conducted by the applicable AMS Grading/Inspection Branch to evaluate the technical,

production, and transportation capabilities, and quality assurance and production control procedures of the vendor. Prior to approval, prospective contractors must be compliant with the applicable commodity requirements document that contains the specifications for each product.

If all qualification requirements are met, a vendor identification entity number (unique to each program area) will be assigned to the newly qualified contractor in order to submit future offers to AMS.

A prospective contractor is encouraged to submit its application package as soon as possible so it may be notified of qualification status in advance of upcoming invitations for bid. The qualification packages should be submitted under seal and marked **CONFIDENTIAL** to the Contracting Officer of the applicable Program below:

Fruit & Vegetable Commodity Procurement Branch
USDA/AMS
1400 Independence Avenue, SW
Stop Code 0239
Washington, DC 20250
FAX: 202-720-2782

Poultry Commodity Procurement Branch
USDA/AMS
1400 Independence Avenue, SW
Stop Code 0260
Washington, DC 20250
FAX: 202-720-5871

Livestock and Seed Commodity Procurement Branch
USDA/AMS
1400 Independence Avenue, SW
Stop Code 0253
Washington, DC 20250
FAX: 202-720-9538

Except as provided in FAR Part 24.2 (the “Freedom of Information Act”) qualification information, including the pre-award survey report, accumulated for purposes of determining the responsibility of a prospective contractor shall not be released or disclosed outside the government. All information provided will be kept confidential to the extent permitted by law.

Under penalty of perjury, each qualification package must be submitted and signed by an individual who has the legal authority to contractually bind a prospective contractor on whose behalf that information package is submitted. If any information provided by a prospective contractor becomes inaccurate, a prospective contractor must immediately notify the contracting officer and provide updated and accurate information in writing. AMS reserves the right to waive minor irregularities and omissions in the information obtained in the qualification package submitted.